

Springfield Township Board of Education
March 10, 2015 Referendum – Questions and Answers
(updated 3/3/2015)

What is a referendum?

New Jersey school districts hold public referendum votes to seek approval of funding to improve and upgrade school facilities. Funding approved under a public referendum can only be used for the projects that are part of the referendum. As NJ school districts are subject to an annual tax levy cap, adequate funding to maintain and improve facilities cannot be absorbed within the district's annual budget process and as a result, a referendum seeks approval for funding dedicated specifically for these projects and separate from the district's annual budget.

When is the referendum?

Tuesday, March 10, 2015. Polls will be open from 2:00 pm to 9:00 pm and voting will occur at 3 locations as follows during these hours:

- Springfield Township Municipal Building Courtroom
- Jacksonville Community Center (1791 Jacksonville-Jobstown Rd.)
- Juliustown Firehouse (Lewistown Rd.)

What is the public being asked to vote on in the Referendum on March 10th, 2015?

The Board of Education is submitting two separate ballot questions for public consideration. Question 1 includes infrastructure and site improvements at the school. Question 2 asks for approval to install air conditioning in the school. (see descriptions below)

What improvements are proposed in the Referendum?

The proposed improvements are as follows for each ballot question:

Question 1: Infrastructure and Site Improvements:

- Replace windows in the 1939 and 1957 wings and install new exterior doors.
- Roofing: Replace deteriorated slate roofing and refurbish the roof cupola, maintaining the traditional appearance of the school. Roofing on the 1957 wing is leaking and will also be replaced and downspouts & gutters will be replaced on the entire school.
- Accessibility improvements including bathroom upgrades, door hardware and exterior stair and ramp handrails.
- Replace tall cabinets in 1939 wing classrooms and shelving over radiation piping.
- New cafeteria refrigeration unit.
- New fire sprinkler system, water tank and fire pump.
- Upgrade electric service and additional electrical outlets will be added in classrooms.
- New backup generator for to support systems critical to the operation of the school.
- Upgrade clock/intercoms.
- New security access controls and cameras for safety.
- New fire alarm system.
- New heating and ventilation units, radiator piping and new boilers.

What improvements are proposed in the Referendum? (continued)

- New exhaust fans and ventilators.
- New mechanical system controls.
- Wastewater plant upgrades.
- Auxiliary domestic water well pump.
- Site drainage improvements around the gym and playground.

Question 2: Air Conditioning:

- The school does not currently have air conditioning. Adding air conditioning systems to the building is included in question two.

Why undertake these improvements now?

Some of the improvements are addressing conditions which, if left alone, could result in deterioration of the building such as leaking roofs and drainage issues. Additionally, the District has approval for a \$2.2 million dollar State Share NJDOE Grant which will reduce the costs to local taxpayers. **While approved, this State Share funding can only be claimed by the district if the referendum is approved by voters.**

What are the estimated costs?

The estimated costs of the referendum are as follows for each separate question on the ballot:

	Total Cost	State of NJ Grant	Local Share of Cost
Question 1: Infrastructure & Site Improvements	\$ 5,799,531	\$ 2,072,312	\$ 3,727,219
Question 2: Air Conditioning	\$ 565,750	\$ 188,800	\$ 376,950
	\$ 6,365,281	\$ 2,261,112	\$ 4,104,169

If the referendum passes, 1) the district cannot spend more than these estimated costs; 2) can ONLY spend this money on work related to the proposed projects, and 3) if the projects are completed below these budgets, the District must apply any savings to reduce the debt issued under the referendum.

What is the estimated tax impact?

The estimated tax impact of the local share of these questions equates to less than \$18 dollars a month for the average assessed home in Springfield Township (*Tax impacts are estimated and shown in relation to assessed, not market, value. The average assessed home in Springfield Township is valued at \$276,800.00. The Board is considering several bond scenarios which could reduce this estimated impact).

	Est. Tax Impact (per \$100*)	Est. Yearly Tax Impact (per Avg. Home)*
Question 1: Infrastructure & Site Improvements	\$0.0678	\$188
Question 2: Air Conditioning	\$0.0073	\$20
	\$0.0751	\$208

What is the basis for the tax impact figures shown on the District flyer?

The tax impact assessments were prepared for the Board by the Board’s Bond Counsel and are based on the following basis for Question 1 and Question 2:

	Question 1: Infrastructure/Site	Question 2: Air Conditioning
Local Share of Cost Basis	\$3,727,219	\$376,950
Anticipated Bond Term	21 years	21 years
Estimated Net Interest Cost	3.62%	3.62%
Fiscal Yr Impact on Avg Assessed Home*	\$188	\$20
Max Fiscal Yr Impact per \$100**	\$0.0678	\$0.0073
Ratable Base Assumption	\$391,255,670	\$391,255,670
Ratable Annual Growth Assumption	0.00%	0.00%

**Average Assessed Home Value in Springfield Twp = \$276,800*

***Maximum impact per each \$100 of Assessed Home Value*

NOTE: All figures are preliminary and subject to change

The Board may consider other bonding terms which could reduce these impacts and the actual interest rate will not be finalized until bonds are issued.

Is there tax relief for Senior Citizens?

Senior citizens, age 65 and older (or qualifying disabled residents), may be eligible for tax relief and impacted differently by the referendum through the NJ Property Tax Relief Programs. To determine if you qualify, contact NJ State Treasury at 1-800-822-6597 or visit their website at www.state.nj.us/treasury/taxation for information.

With State money, why is a referendum needed? How long is the Grant available?

While the district has approval for an over \$2.2 million dollar NJ State Share Grant, the district can only claim the State share if the referendum passes approving the local share of the costs. Without approval of the referendum, the NJ Department of Education grant allocation is scheduled to expire in August 2015. If the referendum passes, the grant money is dispersed to the district in the form of a reimbursement at various points during the project construction process.

Does the State Grant represent additional money the District can spend?

No. The District is not permitted to spend more than the proposed “Total Project Cost” shown above for each referendum question – inclusive of the State share portion.

Why can't these costs be covered out of the District's annual budget?

In NJ school district budgets are subject to a 2% annual tax levy cap. Capital maintenance and upgrade costs exceed what can be covered on an annual basis within the District budget. This is a typical situation for school districts in NJ. As a result, districts seek approval for dedicated funding via referendum – if approved this money can ONLY be used for the projects associated with the referendum. It cannot be used for unrelated improvements, to fund programs, or any other use.

Is this referendum consistent with the District's Strategic Action Plan?

Yes. The District's Strategic Plan is a 5-year plan which is available on the District website. This plan was developed through a process involving both district and community stakeholders and undertaken between April 2014 and October 2014 when the plan was adopted by the Board. Components of the proposed referendum target the "urgent" and "long-term" facility needs identified under Goal 5 of the plan.

What do the Estimated Soft Costs include?

All costs provided prior to the referendum are estimates and are prepared in an effort to provide conservative estimates to the Board for the improvements being proposed in the referendum. Soft cost estimates include the costs associated with implementation of the referendum other than material and labor associated with the proposed building upgrades. Soft costs include: contingency (10%); allowance for various professional and engineering fees such as architecture, mechanical, electrical and plumbing engineering, testing during construction, board attorney costs, and other similar services; agency approval fees; printing, preparation and distribution of contractor bidding documents; printing costs for referendum information; and other similar costs.

Should the project be able to be completed with actual costs less than the estimated costs, such unspent proceeds of the referendum would be applied to reduce the outstanding bonds. The Board is not permitted to spend any more than the proposed referendum amount.

What is the basis for the construction material and labor estimated costs?

All costs provided prior to the referendum are estimates and are prepared in an effort to provide conservative estimates to the Board for the costs of the proposed improvements. These costs were estimated based on either: a) a quantity (based on count or square footage) and an estimated unit cost (ex.: 75 windows at an estimated material and installation cost of \$2,500 each), or b) an allowance where investigative engineering work must still be performed following the referendum.

As a public school district, the District is obligated by law to bid construction work under the NJ prevailing wage requirements. The State establishes prevailing wages for each construction trade and these costs are higher than what most people are familiar with, from renovating a home for example. Also, only contractors who meet State of NJ requirements and who perform prevailing wage work are allowed to bid on public school projects. The cost estimates prepared for the referendum reflect prevailing wage costs as required by law.

All construction work will be designed, engineered, submitted for permitting and approvals, and documented for public bidding after the referendum passes. Once bids are received, the actual costs of the improvement work will be known in detail.

What bathroom renovations are planned in the hall bathrooms?

Hall bathrooms will be renovated to provide ADA accessible bathrooms. This includes replacement of older and non-ADA fixtures, reconfiguration of some walls and doors, and replacement of bathroom partitions and finishes associated with these improvements.

What is involved with the “Upgrade electrical service and add outlets in classrooms”?

In referendum question one, the electrical service upgrade includes replacement of the incoming service with a larger capacity service as well as changes to the incoming electrical service panels, upgrades to some panels in the building (typically in the older portion) and re-feeding of some other service panels as needed to support additional electrical outlets in classrooms. These additional electrical outlets will provide proper support needed for computers and other electronic equipment used daily in the classrooms.

If question 2 passes to provide air conditioning to the building, estimated costs include additional money to increase the capacity of the new service to support the needs of the air conditioning system.

What is a fire pump and why is it included in the planned improvements?

Referendum question one includes the installation of a fire suppression system (sprinkler system) in the building. As the building draws its water from a well system, a fire pump is connected to the system to increase the pressure and water flow to the level needed for the fire suppression system to operate correctly if activated in the case of a fire.

What improvements are included in the “security system with security cameras” scope?

As with all construction work, full design does not occur until after passage of a referendum. If the referendum passes, a security design process will be undertaken to look at all school operations and needs and determine what systems and devices will be installed and where they will be located. It is anticipated this system will include cameras at doors and other locations, access card or similar systems at doors, and control and monitoring systems for the equipment. The specific systems and components will be determined once the full design process is undertaken.

What improvements are included in the “replace downspouts and gutters” scope?

This includes the replacement of gutters and downspouts in the 1939 section of the building. The scope also includes re-routing and improvement to some of the underground drainage feeds connected to these downspouts.

How does this referendum compare to prior referendum votes held by the District?

This referendum focuses on priority facility needs and the capturing of State Grant funding to reduce the local share of the estimated costs that would be supported by local taxpayers.

At other times that the District has sought public approval for facilities improvements, the proposed improvements were different in nature and cost. Prior referenda have considered expansion of the building (2009: new gym and renovations with approximate cost of \$11 million) or installation of solar energy systems and other improvements (2010: solar and renovations with approximate cost of \$5.5 million).

How does this referendum compare to prior referendum votes held by the District? (continued)

This referendum does not include any building additions or solar energy systems. The current Board considered the scope of this referendum carefully, focusing on the highest priority improvements necessary to maintain the operation and condition of the school building.

What happens if the referendum does not pass?

If the referendum does not pass the State Grant will expire. As conditions become critical, such as leaking roofs, costs for repairs will have to be managed in the district budget. This will increase the cost to undertake such work as the district will be responsible for 100% of the repair costs without the State grant money.

How can I find out more about the referendum?

Information materials can be downloaded from the District website (www.springfieldschool.org). A list of upcoming information sessions are also listed on the District website.

What if I have a question about the referendum?

Please review the available information on the District website and if your question is not answered there, you can send an email with your question to referendum@springfieldschool.org.